

**Washington, DC** – Rep. Peter DeFazio (Springfield) is pleased to announce that two important provisions are included in the House health care reform bill which was unveiled today. H.R.3962, the Affordable Health Care for America Act, includes language that requires the health insurance industry to operate under the same anti-trust laws as all other industries and an agreement that will increase Medicare reimbursement rates in Oregon.

“I am encouraged that these much needed changes—changes I have been fighting for—are going to be included in the final House health reform bill, but I am still working through the details of the legislation. I applaud the House leaders for giving Congress and the public more than 72 hours to review the bill and make an informed decision before voting on it,” DeFazio said.

DeFazio has been a leader in the fight to require the health insurance industry to play by the same rules that govern every other industry in the United States. The insurance industry has operated beyond the reach of America's anti-trust laws since the McCarran-Ferguson Act was passed by Congress in 1945. This exemption was intended to be temporary, but it has not turned out that way.

“Repeal of the industry’s anti-trust exemption will effectively end the notorious anti-competitive practices of the insurance industry. Currently, insurance companies can, and do, collude to set prices, share or divide markets, restrict coverage and discriminate against the American people based on pre-existing conditions or medical history. We must give the Federal Trade Commission (FTC) unambiguous authority to investigate these illegal activities. My provision will put the insurance industry on notice that these practices will no longer be endured and they can no longer price gouge consumers. This is an essential step in the fight to lower health care costs for all Americans and bring much needed reform,” DeFazio said.

DeFazio's language, which was included today as part of the manager's amendment, **subjects the health insurance industry to**

*all*  
**federal anti-trust laws and unambiguously gives the FTC authority to investigate and go after the offenders.**

The Consumer Federation of America has said that this action alone could save consumers 10% to 25% in insurance premiums.

The bill also includes language to fix Medicare geographic inequities, an essential change for Oregonians. Oregon has long been discriminated against in the Medicare payment structure, resulting in one of the lowest reimbursement rates in the country, despite producing some of the best health outcomes. For example, in Oregon—according to the latest figures—federal spending for a Medicare enrollee averages \$7,000, while an enrollee in Miami, Florida averages \$17,000. This is because Medicare currently uses an antiquated method to calculate reimbursement rates that does not accurately represent the cost of doing business in states like Oregon. More and more Oregon doctors are refusing to take Medicare patients because the reimbursement rate is so low they cannot afford to care for patients. This is especially a burden for seniors in rural areas with fewer provider options. This language is a major step in fixing this inequity.

"This reform is long over-due. Fifteen percent of Oregonians are on Medicare and Doctors are already refusing to take many of these patients because reimbursement rates are so low. We've been working for years to correct that," DeFazio said. "Eugene is the fifth most efficient Medicare market in the country. We should not be punished for providing efficient and high-quality care. This is great news for Oregon and the 16 other states high-quality, low-cost Medicare providers."

In order to fix the geographic disparity and implement quality care in the long-term, the bill will establish two studies to be conducted by the independent Institute of Medicine. The first study will evaluate and recommend long-term changes to address the geographic disparities in Medicare reimbursement rates. The second study will provide recommendations on changing the Medicare payment system to reward efficient delivery of outcome-based, high quality, evidence-based, patient centered care.

“These are essential steps in bringing down the cost of health care and ensuring that every American has access to the care they need,” DeFazio continued.